

BOSTON EDISON COMPANY
CAMBRIDGE ELECTRIC LIGHT COMPANY
COMMONWEALTH ELECTRIC COMPANY

D.T.E. 03-88A
D.T.E. 03-88B
D.T.E. 03-88C

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY TO
BOSTON EDISON COMPANY, CAMBRIDGE ELECTRIC LIGHT COMPANY, AND
COMMONWEALTH ELECTRIC COMPANY

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy (“Department”) submits to Boston Edison Company (“BEC”), Cambridge Electric Light Company (“Cambridge”), and Commonwealth Electric Company (“ComElec”) (together, “NSTAR”) the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.

First Set of Information Requests

3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term “provide complete and detailed documentation” means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please file one copy of the responses with Mary Cottrell, Secretary of the Department and with all parties; also submit two (2) copies of the responses to John J. Geary, Hearing Officer, one (1) copy of the responses to Sean Hanley, Assistant Director, Rates and Revenue Requirements Division; one (1) copy of the responses to Mark Barrett, Analyst, Rates and Revenue Requirements Division; one (1) copy of the responses to James Powell, Analyst, Rates and Revenue Requirements Division; and one (1) copy of the responses to Barry Perlmutter, Analyst, Electric Power Division.
8. All non-proprietary responses should be submitted by e-mail to dte.efiling@state.ma.us and to the e-mail address of any party required to be served.
9. Responses are due by the close of business (5:00 p.m.) Monday, April 5, 2004.

INFORMATION REQUESTS

- DTE 1-1 Please refer to Exh. NSTAR-HCL at 6. NSTAR states its “billing and accounting systems do not directly isolate the amount of bad debt associated with customers taking default service.” Is it possible for NSTAR’s billing and accounting systems to directly isolate the amount of bad debt associated with customers taking default service for 2003? If so calculate bad debt using actual rather than estimated numbers for each of the NSTAR electric companies. If this not possible, what steps would be necessary for NSTAR to directly isolate the amount of default service-related bad debt associated with customers taking default service in the future? Provide all calculations and workpapers supporting the numbers presented in your response.
- DTE 1-2 For each of the NSTAR electric companies, please allocate their 2003 annual net write-offs to each rate class based on the 2003 write-offs reported for each rate class in NSTAR’s billing and accounting systems. If NSTAR is not able to do this allocation, explain why and provide an alternative allocation factor.
- DTE 1-3 For each of the NSTAR electric companies, please allocate a portion of each rate class’ 2003 annual net write-offs to default service accounts based on the proportion of each rate class’ net write-offs for default service accounts to each rate class’ total write-offs as reported in NSTAR’s billing and accounting systems. If NSTAR is not able to do this allocation, explain why and provide an alternative allocation factor.
- DTE 1-4 For each of the NSTAR electric companies, assign a portion of each rate class’ default service customer net write-offs (as determined in NSTAR’s response to information request DTE 1-3) to default service based on the proportion of each rate class’ 2003 default service revenues to each rate class’ total 2003 revenues.

DTE 1-5 The table below lists the 2003 default service bad debt costs and total company bad debt costs identified by Massachusetts Electric Company (“MECo”), Fitchburg Gas and Electric Light Company (“Fitchburg”), and the NSTAR electric companies in their respective filings, D.T.E. 03-88E, D.T.E. 03-88D, D.T.E. 03-88A, D.T.E. 03-88B, and D.T.E. 03-88C, and the ratio between the two values for each company.

	Default Service Bad Debt	Total Company Bad Debt	Ratio
MECo (1)	\$4,342,386	\$14,846,038	29.25 %
Fitchburg (2)	\$109,000	\$405,501	26.9 %
BECo (3)	\$2,464,603	\$14,467,987	17.03 %
ComElec (3)	\$243,568	\$3,153,888	7.72 %
Cambridge (3)	\$91,890	\$480,353	19.13 %

Sources:

(1) D.T.E. 03-88E filing, Exh. TMB-4.

(2) D.T.E. 03-88D filing, Sch. KMA-1, at 3 of 6.

(3) D.T.E. 03-88A, D.T.E.03-88B, D.T.E. 03-88C filing, Exh. NSTAR-HCL-2.

Please identify any factors that would explain why the ratios of default service bad debt costs to total company bad debt costs identified by NSTAR for each of its electric companies are lower than the ratios identified by MECO and Fitchburg.

DTE 1-6 For the years 2002, 2003, and 2004, please list the monthly costs (actual and projected) assessed to each of the NSTAR electric companies by the Independent System Operator - New England (“ISO-NE”) associated with the development, implementation, and ongoing operation and administration of New-England Generation Information System (“NE-GIS”). For each month, separate the costs into those associated with each of the NSTAR companies’ standard offer service obligations and default service obligations.

DTE 1-7 Has ISO-NE revised the method by which it allocates NE-GIS costs to NEPOOL participants during the period 2002-2004? If so, please describe these

revisions and discuss how the revised method has affected the NE-GIS costs allocated to each of the NSTAR companies.

DTE 1-8 Are the NSTAR companies aware of any revisions that ISO-NE intends to make during the upcoming months regarding the method by which it allocates NE-GIS costs to NEPOOL participants? If so, please describe these upcoming revisions and discuss how the revisions will affect the NSTAR companies. In particular, list your best estimate of the monthly default service-related costs that the ISO-NE will assess to each of the NSTAR companies under the revised allocation method.

DTE 1-9 Please explain why the NSTAR companies have not included the NE-GIS costs associated with NSTAR's default service obligations (as identified in DTE 1-6 through DTE 1-8 above) as a "direct retail cost" (defined in D.T.E. 02-40-B at 17, as a cost that a distribution company incurs strictly on behalf of its default service customers) to be included in the default service rates of each of the NSTAR companies' default service rates.